

MEMORANDUM

Agenda Item No. 11(A)(24)

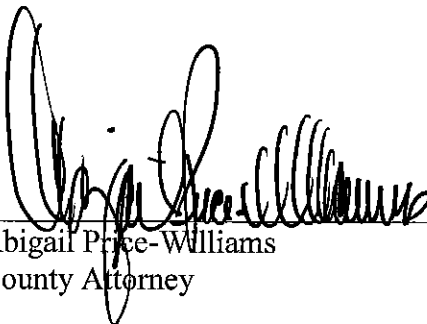
TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: March 8, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution urging the Florida
Legislature to authorize local
governments to collect a per unit
condominium conversion fee
from developers for each
apartment building converted to a
condominium and to use such fee
to increase the local government
fund earmarked for affordable
and workforce housing

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Barbara J. Jordan.



Abigail Price-Williams
County Attorney

APW/cp



MEMORANDUM

(Revised)

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Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Statement of social equity required
- ☒ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(24)
3-8-16

RESOLUTION NO. _____

RESOLUTION URGING THE FLORIDA LEGISLATURE TO
AUTHORIZE LOCAL GOVERNMENTS TO COLLECT A PER
UNIT CONDOMINIUM CONVERSION FEE FROM
DEVELOPERS FOR EACH APARTMENT BUILDING
CONVERTED TO A CONDOMINIUM AND TO USE SUCH
FEE TO INCREASE THE LOCAL GOVERNMENT FUND
EARMARKED FOR AFFORDABLE AND WORKFORCE
HOUSING

WHEREAS, condominium conversions became tremendously popular during the housing boom in the mid-2000s because they proved to be profitable to developers; and

WHEREAS, many old apartment buildings were converted to condominium ownership, remodeled and then the units sold; and

WHEREAS, according to the Florida Department of Business and Professional Regulation, during the last South Florida boom-bust cycle, developers converted nearly 1,000 projects with more than 93,650 apartments converted into condo units between 2003 and 2010 in the tri-county region of Miami-Dade, Broward, and Palm Beach counties; and

WHEREAS, on a county-by-county basis in South Florida, developers converted 567 projects totaling nearly 43,500 units in Miami-Dade County, 285 projects totaling nearly 32,700 units in Broward County, and 117 projects totaling more than 17,500 units in Palm Beach County; and

WHEREAS, by 2014, the number of housing units converted to condominiums in Miami-Dade County declined to approximately 15 projects or 600 units; and

WHEREAS, some experts suggest that the decline in condominium conversions is attributable to the rise in new condominium construction; and

WHEREAS, notwithstanding this decline, the effect of a conversion of an apartment building to a condominium still negatively impacts families, who are forced to locate to other housing, which may be less affordable; and

WHEREAS, in a July 2013 policy paper titled *Housing Hunters South Florida: Where Will Our Workers Live?*, which was published by Florida International University Metropolitan Center (the “FIU Study”), it was concluded that the “increasing levels of affordability for existing single-family homes and condominiums brought on by the collapse of the housing bubble has not improved overall housing affordability for existing owners and renters alike”; and

WHEREAS, the FIU Study also concluded that “the percentage of cost burdened owner and renter households has continued to increase at the same rates as during the housing bubble”; and

WHEREAS, in Miami-Dade County, households are spending 57.9 percent of their income on housing and transportation, whereas the combined average should only be 45 percent according to the Housing and Transportation Affordability Index; and

WHEREAS, local governments must establish local policies and strategies aimed at the creation of more location-efficient communities characterized by mixed-use, mixed-income transit oriented development; and

WHEREAS, although it is hard to forecast when the current housing boom will lead to another rise in condominium conversions, this Board has, in the past, taken steps to address the affordable housing crisis and avoid the potential negative impacts that occurred in the mid-2000s; and

WHEREAS, Section 718.604, *et seq.*, Florida Statutes (commonly known as, and referred herein as, the “Roth Act”) authorizes counties, including charter counties, to adopt ordinances extending the notice requirements for an additional 90 days following findings by said counties that there exists a vacancy rate in rental housing of 3 percent or less and that there is a housing emergency so grave as to constitute a serious threat to the general public and that such controls are necessary and proper to eliminate such grave housing emergency; and

WHEREAS, in 1980, this Board found that the vacancy rates in rental housing in Miami-Dade County was 3 percent or less and that there existed a housing emergency in Miami-Dade County; and

WHEREAS, accordingly, on September 2, 1980, this Board adopted Ordinance No. 80-87, codified at Section 17-01 of the Code of Miami-Dade County (the “Condominium Conversion Ordinance”), which extends the 270-day extension period described in Section 718.606(1)(a), Florida Statutes, and the 180-day extension period described in Section 718.606(1)(b), Florida Statutes, for an additional 90 days; and

WHEREAS, on March 9, 2006, this Board also adopted Resolution No. R-324-06 whereby it was found that “the surge in condominium conversions continues to be on the rise in Miami-Dade County resulting in a depletion of the supply of available rental housing units”; and

WHEREAS, this Board determined that many Miami-Dade residents are unaware of their rights under the Roth Act and the Condominium Conversion Ordinance, and therefore, this Board directed the former County Manager to designate a department of Miami-Dade County to develop and implement a program to educate the public concerning their obligations and rights under the Condominium Conversion Ordinance; and

WHEREAS, this Board has also taken measures to address the affordable housing crisis in the County, including but not limited to establishing the Infill Housing Initiative Program and Workforce Housing Development Program, funding privately and publicly owned affordable housing projects through the use of documentary stamp surtax, State Housing Initiatives Partnership, HOME Investment Partnerships, Community Development Block Grant, and General Obligation Bond funds, and creating an affordable housing trust fund as a permanent, renewable source of revenue to meet, in part, the housing needs of the residents of Miami-Dade County who meet the target income of up to 140 percent of the area median income for Miami-Dade County; and

WHEREAS, notwithstanding this Board's efforts to increase the supply of affordable and workforce housing, more resources are needed to ensure that the economic recovery occurring in the County does not have a further negative impact on the growth of affordable housing and workforce housing within the County; and

WHEREAS, some jurisdictions, such as San Francisco, have adopted ordinances to severely limit the number of conversions permitted each year and/or require that a percentage of units remain affordable to low and moderate income residents; and

WHEREAS, other jurisdictions, such as the City of Berkeley, California and the City of Marlborough, Massachusetts, have imposed a mitigation fee to generate some value from condominium conversions and to mitigate the effects of such conversions on the availability of affordable housing; and

WHEREAS, this Board would like to find other means to increase the funds in the County's Affordable Housing Trust Fund; and

WHEREAS, the use of condominium conversion fees to generate significant revenue for housing trust funds only makes sense in hot markets such as Miami-Dade County, where conversions are financially desirable to property owners; and

WHEREAS, this Board would like to urge the Florida Legislature to authorize local governments to collect a per unit condominium conversion fee from developers for each apartment building converted to a condominium, and to further authorize such local governments to use such fees to increase the local government fund earmarked for affordable and workforce housing,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The matters contained in the foregoing recitals are incorporated in this resolution by reference.

Section 2. This Board urges the Florida Legislature to authorize local governments to collect a per condominium conversion unit fee from developers for each apartment building converted to a condominium, and to further authorize such local governments to use such fees to increase the local government fund earmarked for affordable and workforce housing.

Section 3. This Board directs the Clerk of this Board to transmit certified copies of this resolution to the Governor, Senate President, House Speaker, and the Chair and Members of the Miami-Dade State Legislative Delegation.

Section 4. This Board directs the County's state lobbyists to advocate for the legislative action set forth in Section 2 above, and authorizes and directs the Office of Intergovernmental Affairs to amend the 2016 State Legislative Package to include this item, and to include this item in the 2017 State Legislative Package when it is presented to the Board.

The Prime Sponsor of the foregoing resolution is Commissioner Barbara J. Jordan. It was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman	
Esteban L. Bovo, Jr., Vice Chairman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Dennis C. Moss	Rebeca Sosa
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 8th day of March, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

MM for

Terrence A. Smith